

# Sustainable Institutional Performance Development Through Marketing Capabilities: Evidence from the Banking Sector.

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## ABSTRACT:

This study investigates the connection between marketing capabilities and the enhancement of Sustainable Institutional Performance development within Saudi banks. Employing a descriptive analytical approach, the research relied on secondary sources for theoretical data and utilized a questionnaire to gather empirical data from 157 employees working in Saudi banks. A total of 137 completed questionnaires were deemed valid for analysis, reflecting a high response rate of 87.25%. The collected data were processed using the Statistical Package for the Social Sciences (SPSS) to examine the proposed hypotheses. The findings reveal a strong presence of practices associated with both key variables—marketing capabilities and Sustainable Institutional Performance development—as well as a significant positive relationship between them. The strongest relationships between the ability to manage marketing communications as one of the dimensions of marketing capabilities and institutional performance, the least relationships were between the ability to manage distribution channels as one of the dimensions of marketing capabilities and institutional performance. In addition to the existence of a significant impact of all dimensions of marketing capabilities on Sustainable Institutional Performance development.

The study recommended enhancing customer understanding by conducting advanced market studies and research using data analysis techniques to understand more deeply the needs of customers and their future directions, in addition to activating marketing strategies through data derived from market research. Strictly targeted marketing campaigns are designed to provide many banking services. There is also a need to leverage technology and artificial intelligence tools to improve the accuracy of marketing forecasts and make decisions supported by advanced data and analytics, encourage a culture of innovation and creativity by motivating employees to present new ideas, develop banking products and provide innovative services that meet customer aspirations and outperform competitors.

*Keywords: Marketing Capabilities – Institutional Performance – Saudi Banks*

## 1. Introduction

In the competitive business world, marketing capabilities have become more than just a tool for selling products and services, they are key to building strong relationships with customers and achieving their loyalty. Customers are not just numbers, they are partners in the success journey that organizations strive to achieve (Kotler, 2016). Marketing capabilities are a set of skills and abilities that enable companies to understand the needs and desires of customers, develop effective marketing strategies, and build strong relationships with them. These capabilities include the ability to develop products

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and services that meet customer expectations, effectively market them, deliver an excellent customer experience, and build trust with them (Vorhies & Morgan, 2003).

Perhaps the most important result of achieving marketing capabilities is building customer loyalty. A strong relationship between the customer and the brand makes them more loyal to them, which leads to increased sales, improved brand reputation, and increased competitiveness in the market. (Nath et al., 2010).

The development of institutional performance is an essential pillar in business success, as it is the process of measuring, analyzing and improving the efficiency and effectiveness of activities within the organization to achieve its strategic objectives. The development of institutional performance includes several dimensions such as quality, effectiveness, productivity, and flexibility in responding to environmental changes (Marr, 2022).

The dimensions of institutional performance development are considered fundamental pillars that contribute to enhancing the efficiency and effectiveness of organizations. The most prominent of these dimensions include quality, effectiveness, productivity, and flexibility in responding to environmental changes. Quality focuses on achieving customer satisfaction through continuous improvement of products or services, in accordance with defined standards that strengthen competitiveness and reflect a commitment to institutional excellence. Effectiveness is measured by the extent to which an organization achieves its strategic objectives through organized, results-oriented performance, supported by precise indicators and ongoing monitoring and evaluation mechanisms. Productivity reflects the efficiency of utilizing available resources to generate outputs of maximum value, which requires adopting advanced management methods and digital technologies to improve operational processes. Finally, flexibility is a critical factor for sustaining performance, enabling the organization to adapt to rapid changes in the external environment—such as economic, technological, and regulatory shifts—thus enhancing its ability to survive and grow in a dynamic and complex environment. (Manresa et al., 2024)

Therefore, the present study seeks to ascertain the nature of the relationship between marketing capabilities and institutional performance, as well as to reveal the impact of the different dimensions of marketing capabilities on the development of institutional performance in the banking sector by applying it to Saudi bank customers.

The researcher conducted an exploratory study on a sample of 31 employees working in Saudi banks. An initial survey was designed based on previous studies to build a foundational understanding of the research subject. The results of the exploratory phase indicated a generally low level of employee awareness regarding the marketing capabilities offered by Saudi banks. Employees also expressed limited ability to appropriately price banking services in a way that aligns with customer expectations and purchasing power. Additionally, the responses reflected a weak perception of effective marketing communication with clients and a minimal influence of personal selling on clearly conveying the range of services provided by the bank. Accordingly, the research problem focused on examining how such limitations might affect overall performance outcomes within the banking sector, based on insights from employees of Saudi banks.

The study derives its significance from its focus on marketing capabilities, a topic that has gained considerable attention due to its effective application across various types of

organizations and fields. Its relevance is further emphasized by its connection to a vital service domain that contributes significantly to economic and social progress.

Therefore, this study seeks to fulfill a set of goals, foremost of which is to focus on the theoretical examination of the two research factors and the limits of practicing concepts and requirements related to them within Saudi banks, and to identify the most crucial problems and obstacles that the study variables within the banking sector, and to identify the nature of the connection between marketing capabilities, and the development of institutional performance in Saudi banks, in addition to formulating a set of results and recommendations that can support marketing capabilities in the banking sector.

## 2. Theoretical Background

### 2.1. Marketing Capabilities

It is understood that the company's capabilities include the resources, skills and knowledge possessed by the organization, which it uses in its organizational processes to coordinate activities and exploit assets efficiently and effectively.

Dutta et al (2005) has been known marketing capabilities as the efficiency of the company related to the extent of its excellence in converting marketing resources into sales or profitability, Song et al (2007) as being knowledge of competitors and customer's skills related to segmentation and targeting of the market advertising pricing, and the integration of marketing activities, Morgan et al (2009) indicates that **marketing capabilities are the** processes of product management and development, pricing, selling, marketing communications, channel management, and marketing strategy development, Santos-Vijande et al (2012) defined it is a complex set of organizational processes that involve combining market knowledge with company resources to generate added value for customers, a company's marketing capabilities also refer to the ability to use available resources to perform marketing tasks and thus achieve desired marketing results Morgan et al (2012), also defined by Falasca et al (2017) as the company's mechanisms by which marketing resources are reshaped in response to market changes.

While Kaleka & Morgan (2019) indicated that marketing capabilities are the ability to generate market information, develop innovative and modified products, and adopt product features that meet current and latent market needs, Cao & Tian (2020) showed that marketing capabilities are the ability to use available resources to perform marketing tasks and thus achieve the desired marketing results, Ciszewska-Mlinarič et al (2024) explained an marketing capabilities are responsive and efficient multifunctional business processes to create and deliver value to customers in response to market changes.

The dimensions of marketing capabilities are represented in seven main dimensions as follows:

#### 2.1.1. Product Planning Ability

It refers to the company's ability to provide innovative products, designed in response to customer needs and in line with the company's goals, and achieve superiority over the competitor (Hoque et al., 2021).

#### 2.1.2. Ability to Pricing

Pricing capability refers to the firm's skill in setting prices that reflect customer needs and market standards. While identified as the least perceived marketing capability, this aspect is influenced by several factors. Regulatory constraints, such as government price controls,

can limit pricing flexibility. Likewise, customer price sensitivity and strong market competition restrict firms from adjusting prices freely. These external pressures, along with internal cost structures and brand positioning, shape pricing strategies. A more nuanced understanding of these influences is crucial for applying findings in real-world market settings. (Cortez & Hidalgo, 2022).

#### **2.1.3. Ability to manage marketing communications**

Refers to the ability to inform customers and manage customer perceptions via non-digital channels (Adelia et al, 2024).

#### **2.1.4. Ability to manage social media**

Refers to the ability to inform customers and manage customer perceptions via digital networks (Cortez & Hidalgo, 2022).

#### **2.1.5. Ability to manage distribution channels**

It refers to the ability to create and maintain distribution channels and influencers who help deliver value to end customers (Vorhies & Morgan, 2005).

#### **2.1.6. Ability to manage personal selling**

Refers to the ability to obtain and process customer orders via the sales team or similar agents (Ali et al., 2022).

#### **2.1.7. Ability to manage marketing research**

It refers to the company's ability to collect data and information related to the needs and desires of current and potential customers so that it can be used to build a clear perception of the nature of the products which can provide value beyond what competitors offer (Al-Sheikhi, 2016).

### **2.2. Institutional Performance**

Institutional performance is defined as "the integrated system of the product or achievements of all organizational functions in the organization, and also indicates the degree of achievement of organizational objectives in light of the environmental conditions surrounding the institution, and is also a comprehensive indicator of the institution Huang (2010), institutional performance is also defined as "the ability of an organization to achieve its organizational objectives using available resources efficiently and effectively Daft & Marcic (2017), institutional performance is also defined as the result of the interaction between the elements of the work system at various levels within the bank, with the environment with which it deals with challenges and high degrees of competitiveness to achieve the desired goals (Kamau et al, 2024).

Cooper (2017) identified the dimensions of institutional performance development in the following dimensions:

#### **2.2.1. Commercial dimension**

It includes market penetration, market share/expansion, effectiveness of marketing activities, effectiveness of sales force demand services, effective communication, customer loyalty, acquisition of new customers, and performance of stakeholders This includes the satisfaction of shareholders, investors, managers, employees, customers and suppliers with the services and products provided by the enterprise, reputation, and can be called after the market marketing dimension.

#### **2.2.2. Operational Dimension**

It includes operational efficiency (personnel, material resources), productivity, product and service quality, value added, employee performance, and unit performance. This dimension supports marketing effectiveness in banks by ensuring seamless service delivery, reducing costs, and enhancing customer satisfaction and retention

### **2.2.3. After innovation**

After innovation, interactivity includes the ability to innovate, marketing time, and the level of acceptance of new products and services. It also encompasses customer engagement, service personalization, digital communication effectiveness, and adaptability to shifting banking market demands and preferences.

### **2.2. 4. Economic dimension**

The economic dimension is considered a fundamental pillar for achieving sustainable institutional performance in the banking sector, as it reflects the institution's ability to maintain profitability and continuous financial growth. This is manifested through indicators such as return on assets, revenue growth, and market share expansion. Marketing capabilities directly contribute to enhancing this dimension by attracting new customers and strengthening the loyalty of existing ones, thereby improving financial indicators and ensuring the institution's long-term economic stability (Sabatini, 2019).

### **2.2.5. Cultural Dimension**

The cultural dimension reflects the internal organizational environment of banking institutions, in terms of embracing modern values, effective change management, and openness to innovation. Organizational culture is a vital factor in promoting sustainable performance, as it enables institutions to activate their marketing capabilities and respond effectively to market dynamics. Thus, a flexible and development-oriented organizational culture contributes to institutional adaptability and ensures continuity within a dynamic banking environment (Pfajfar et al., 2024).

## **2.3 Literature review**

### **2.3.1. Studies on marketing capabilities**

Study of Zohrehvandian et al (2018) aimed to design a model to determine the marketing capabilities of football clubs in the Iranian Premier League, and the study found that the proposed model can be used as a tool to identify football marketing capabilities and benefit from these capabilities in a logical and systematic way for marketing, income and independence, study of Joensuu-Salo et al (2018) focused on the impact of market orientation, marketing capacity and digitization on company performance among small and medium-sized enterprises (SMEs) and the differences in this impact among small and medium-sized enterprises (SMEs) and the differences in this impact among small businesses International medium-sized and middle-sized businesses operating only in domestic markets the results showed that market orientation and marketing capacity are crucial to their success in foreign markets.

Study of Falahat et al (2020) assumed that there are four core export capabilities (market intelligence, product innovation, pricing, and marketing communications) as determinants of the competitive advantage of Malaysian exporting SMEs active in exporting, and that competitive advantage acts only as a mediator between the pricing capacity and international performance of SMEs, and study of Hernández-Linares et al (2021) found that not all dimensions of market orientation are equally important for the performance

of SMEs, and that market orientation works significantly on Modifying the relationships between sensing ability, learning ability, and company performance, as study of Buccieri et al., 2020; Morgan et al., 2022 focused on the value of the characteristics of different capabilities of business-to-business companies, and leveraging them to balance resources, strategic marketing, and dynamic capacity theory.

Study of Homburg & Wielgos (2022) concluded that digital marketing capabilities contribute significantly to a company's profitability beyond the impact of classic marketing capabilities, and study of Hokmabadi et al (2024) also found the need for companies to develop dynamic capabilities to thrive in turbulent environments, and a study of Ciszewska-Mlinarič et al (2024) showed that the deployment of lagging developing countries by export manufacturers in the context of environmental shocks contributes to improved performance, and this relationship is achieved through adaptation to foreign markets and the development of product capacity.

### **2.3.2. Literature Focusing on Advancing Organizational Outcomes**

Study of Qi et al (2020) showed that there is a positive relationship between green innovation and institutional development., and study of Watene (2020) indicated that there is an association between the academic performance of the school and the professional development of teachers, study of Anwar et al (2021) found that "decentralization is positively related to organizational performance, and study of Iis et al (2024) showed that career development and employee work environment had a significant impact on work motivation and employee performance, in addition, career development and work environment also directly affect how well they function, motivation to work partially mediates the influence of professional growth and work environment on performance, and study of Ishaq et al (2024) noted that strengthening the link between green innovation and sustainable performance through institutional support and that sustainable leadership competencies can lead to green innovation and sustainable performance.

Through a comprehensive review of both Arab and international prior studies that have addressed the main variables of this research, it becomes evident that these studies, despite their diversity in terms of goals and areas of application, have positively influenced the present work. They have supported the formulation of the research problem, clarified the objectives, and contributed to the design of the research instrument. While the current study aligns with earlier research in its focus on similar conceptual dimensions, it is distinguished by exploring how marketing strengths influence overall organizational advancement within the context of customers of Saudi banks. This sector, being a vital part of the Kingdom's service economy that delivers various financial and banking services to citizens, has not been sufficiently examined in past research — to the best of the researcher's knowledge. Hence, this study aims to address the gap in application within this specific sector.

## **3. Methods**

In conducting this research, the author adopted a descriptive and analytical methodology to establish a conceptual foundation for the study variables—marketing capabilities and institutional performance. This approach also facilitated the examination

and assessment of relevant information concerning these variables, while clarifying the nature of their interconnection.

### 3.1. Hypotheses

In light of the above, the hypotheses of the study can be addressed as follows:

**H1:** There is no significant difference in the perception of employees in Saudi banks of both marketing capabilities - and Sustainable institutional performance.

**H2:** There is no significant relationship between marketing capabilities in its various dimensions and the development of institutional performance Sustainable by applying to employees Saudi banks.

**H3:** There is no statistically significant effect of the dimensions of marketing capabilities on the Sustainable Institutional Performance development by applying to employees of Saudi banks.

### 3.2. Study tool

A structured questionnaire consisting of 56 items was developed, comprising two main sections. The first section assessed marketing capabilities (independent variable) through 31 items covering seven key dimensions: product planning, pricing, marketing communications, social media, distribution channels, personal selling, and marketing research. The second section evaluated Sustainable Institutional Performance development (dependent variable) using 25 items equally distributed across five dimensions: efficiency, effectiveness, justice, decision-making participation, and regulatory systems. Responses were collected using a five-point Likert scale ranging from "strongly agree" to "strongly disagree," scored from 5 to 1 accordingly.

### 3.3. Study population and sample

The target population of the study included employees from Saudi banks, totaling 157 individuals at the time of data collection, as reported by the participating institutions. A simple random sampling method was employed using the Robert Mason equation, taking into account the full population size of 157, with a 95% confidence level and a  $\pm 5\%$  margin of error. Based on this, the required sample size was also calculated to be 157 using the equation:

$$n = \frac{M}{[(S^2 \times (M-1)) \div pq] + 1}$$

The survey forms randomly distributed to the sample to ensure proportional representation. Of the total distributed, 137 were completed and deemed valid for analysis, resulting in a response rate of 87.25%.

### 3.4. Stability coefficient of Cronbach's alpha

Cronbach's Alpha was calculated to verify internal consistency. As illustrated in Table (2), all dimensions demonstrated acceptable reliability levels, with coefficients ranging from 0.702 to 0.878.

In terms of construct validity, values ranged between 0.837 and 0.942, with the highest recorded for the cultural dimension of Sustainable Institutional Performance and the lowest for marketing research management.

These results indicate that the tool demonstrates strong internal reliability, as all alpha values exceeded the 0.70 threshold, confirming the consistency of responses and supporting the generalizability of findings to the broader study population.

**Table 1.** Internal Consistency (Cronbach's Alpha) and Construct Validity Scores of the Questionnaire

Parts	Elements	No. of items	Cronbach's alpha for reliability	Coefficient of internal validity
Independent variable	Marketing Capabilities	31	0. 832	0.912
	Ability to plan products	6	0.817	0.903
	Ability to price	4	0.809	0.899
	Ability to manage marketing communications	5	0.845	0.919
	Ability to manage social media	3	0.867	0.931
	Ability to manage distribution channels	5	0.870	0.932
	Ability to manage personal selling	4	0.836	0.914
	Ability to manage marketing research	4	0.702	0. 837
Dependent variable	Sustainable Institutional Performance Development	25	0.866	0.930
	Commercial dimension	5	0.775	0.880
	Operational dimension	5	0.804	0.896
	After innovation	5	0.878	0.937
	Economic dimension	5	0.757	0. 870
	Cultural dimension	5	0.889	0.942

**4. Results and discussion**

**H1:** There is no significant difference in the perception of employees in Saudi banks of both marketing capabilities – and Sustainable institutional performance development.

Table 2 presents the findings of the study on the extent to which employees in Saudi banks are aware of the study variables (marketing capabilities - Sustainable institutional performance development).

**Table 2.** Employees' Perception of the Variables of the Study

Elements	Mean	S.Deviation
Independent variable (marketing capabilities)	3.70	0.771
Ability to plan products	3.57	0.450



Ability to price	3.51	0.601
Ability to manage marketing communications	3.88	0.631
Ability to manage social media	3.79	0.548
Ability to manage distribution channels	3.69	0.458
Ability to manage personal selling	3.79	0.629
Ability to manage marketing research	3.69	0.447
Dependent variable (Sustainable institutional performance development)	3.65	0.843
Commercial dimension	3.90	0.624
Operational dimension	3.46	0.635
After innovation	3.81	0.677
Economic dimension	3.73	0.587
Cultural dimension	3.39	0.901

Table 2 shows the following:

The average perception of employees in Saudi banks of marketing capabilities in its various dimensions has come average, as the general average of marketing capabilities (3.70) and a standard deviation of (0.771), which means that the level of practice dimensions of marketing capabilities in Saudi banks, and came high from the perspective of the research sample, and the averages of the dimensions of marketing capabilities ranged between (3.51) as a minimum and (3.88) as a maximum.

The ability to manage marketing communications came as the highest dimension of marketing capabilities in terms of average perception of employees, where the average perception of the study sample of this dimension (3.88) and a standard deviation of (0.631). The dimension of the ability to price came as the lowest dimension of marketing capabilities in terms of average perception of employees, where the average perception of the study sample of this dimension (3.51) and a standard deviation of (0.601).

The average perception of employees in Saudi banks regarding institutional performance across its various dimensions was high, with an overall mean of 3.65 and a standard deviation of 0.843. The values ranged between a minimum of 3.39 and a maximum of 3.90, indicating consistently strong assessments across the measured aspects.

The commercial dimension came as the highest dimensions of institutional performance development in terms of average perception of employees, where the average perception of the study sample of this dimension (3.90) and a standard deviation of (0.901).

-The cultural dimension came as the lowest dimension of Sustainable institutional performance development in terms of average perception of employees, where the average perception of the study sample of this dimension (3.39) and a standard deviation of (0.624). To examine whether statistically significant differences exist in the perspectives of employees within Saudi banks concerning the study variables—namely marketing capabilities and Sustainable institutional performance development—the Kruskal-Wallis

test was applied, given its appropriateness for analyzing differences among multiple groups when the assumption of normality is not met.

**Table 3.** Kruskal-Wallis Test Outcomes

Variables	Kruskal-Wallis H	Sig.	Significance Interpretation
marketing capabilities	3.774	0.000	signific
Ability to plan products	2.890	0.000	signific
Ability to price	3.119	0.000	signific
Ability to manage marketing communications	4.551	0.000	signific
Ability to manage social media	3.118	0.000	signific
Ability to manage distribution channels	4.212	0.000	signific
Ability to manage personal selling	2.990	0.011	signific
Ability to manage marketing research	3.854	0.031	signific
Sustainable institutional performance development	3.441	0.000	signific
Commercial dimension	3.116	0.000	signific
Operational dimension	4.345	0.000	signific
After innovation	4.452	0.010	signific
Economic dimension	3.623	0.001	signific
Cultural dimension	2.678	0.032	signific

By analyzing the data presented in Table 3, the test results indicate that all study variables lie within the 5% level of significance, with P-values falling below the established threshold. This outcome suggests that there are no notable differences in how the variables of marketing capabilities and Sustainable institutional performance development perceived.

Based on the findings, it can be affirmed that the first hypothesis is supported, indicating that employees in Saudi banks exhibit no significant differences in their perceptions regarding marketing capabilities and the Sustainable institutional performance development.

**H2:** There is no significant relationship between marketing capabilities in its various dimensions and the development of institutional performance Sustainable by applying to employees Saudi banks.

**Table 4.** Matrix of correlation coefficients between study variables

Variables	X1	X2	X3	X4	X5	X6	X7	institutional performance development
Ability to plan products (x1)	1							
Ability to price (x2)	0.403	1						
Ability to manage marketing communications (x3)	0.427	0.422	1					
Ability to manage social media (x4)	0.314	0.387	0.398	1				

Ability to manage distribution channels (x5)	0.381	0.339	0.432	0.411	1			
Ability to manage personal selling (x6)	0.344	0.432	0.375	0.329	0.341	1		
Ability to manage marketing research (x7)	0.368	0.354	0.401	0.340	0.355	0.397	1	
development of institutional performance Sustainable	0.319	0.384	0.372	0.401	0.389	0.391	0.373	1

From table 4, it is clear that:

- The correlation factors were significant and positive between all dimensions of marketing capabilities (the ability to plan products - the ability to price - the ability to manage marketing communications - the ability to manage social media - the ability to manage distribution channels - the ability to manage personal sales - the ability to manage marketing research).
- The analysis revealed a strong and consistent positive relationship between all dimensions of marketing capabilities and development of institutional performance Sustainable indicators, as reflected in the significant correlation values observed between the predictor and outcome variables.

To determine the nature of the correlation between the dimensions of marketing capabilities and the development of institutional performance Sustainable, the statistical analysis showed the following:

**Table 5.** Correlation between the two variables of the study

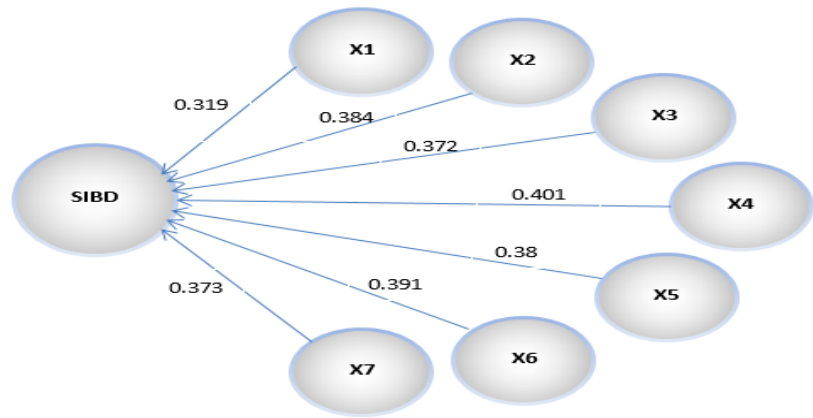
Dimensions of marketing capabilities	Correlation coefficient	Sig.	Significance Interpretation
Ability to plan products	0.319**	0.000	signific
Ability to price	0.384**	0.000	signific
Ability to manage marketing communications	0.372**	0.000	signific
Ability to manage social media	0.401**	0.000	signific
Ability to manage distribution channels	0.389**	0.000	signific
Ability to manage personal selling	0.391**	0.000	signific
Ability to manage marketing research	0.373**	0.000	signific
Marketing Capabilities (Total)	0.575**	0.000	signific

Table 5 shows the following:

- A notable relationship was observed across all dimensions of marketing capabilities and the advancement of Sustainable institutional performance, with correlation coefficients ranging from 31.9% to 40.1%.
- A statistically significant and robust relationship was identified between marketing capabilities and Sustainable institutional performance, as evidenced by a correlation coefficient of 57.5% at the 1% significance level. This suggests that the more effectively an organization applies its marketing capabilities, the more it can advance its institutional outcomes.

- The strongest correlation was observed in the ability to manage social media, with a correlation coefficient of 40.1% at a 1% level of significance, highlighting its influential role in shaping employee outcomes.
- The weakest correlation appeared in relation to the ability to manage marketing research, with a correlation coefficient of 31.9% at the 1% level of significance, indicating a relatively lower association compared to other aspects.

.Figure:1 shows the relationship between independent variables and dependent variables.



**Figure 1.** The relationship between independent variables and dependent variables

In light of the results presented, it becomes evident that the second hypothesis is not supported. The findings highlight a clear relationship between the various aspects of marketing capabilities—including product planning, pricing, marketing communication, social media management, distribution channels, personal selling, and marketing research—and the advancement of Sustainable institutional performance within Saudi banks.

**H3:** There is no effect of a significant significance of the dimensions of marketing capabilities on the Sustainable Institutional Performance development by applying to employees of Saudi banks.

To ensure this, the multiple regression method of the dependent variable (Sustainable Institutional Performance development) was used on the independent variable (marketing capabilities), and Table 6 presents the estimates of multiple regression models.

**Table 6.** Dimensions Of The Sustainable Institutional Performance development

Dependent variable	R2	F (Sig.)	Independent variables	Estimates		
				B	T	Sig.
Sustainable Institutional Performance Development	0.431	74.231 (0.000)	Ability to plan products	0.652	1.320	0.000
				0.550	2.043	0.000
	0.473	89.112 (0.000)	Ability to price	0.667	1.150	0.000
				0.589	2.112	0.000
	0.481	77.711 (0.000)	Ability to manage marketing communications	0.567	3.211	0.000
				0.515	4.642	0.000

	0.502	61.569 (0.000)	Ability to manage social media	0.371	1.519	0.000
				0.406	3.932	0.000
	0.445	57.121 (0.000)	Ability to manage distribution channels	0.521	5.030	0.000
				0.653	3.228	0.000
	0.467	71.32 (0.000)	Ability to manage personal selling	0.413	4.612	0.000
				0.539	4.361	0.000
	0.410	85.37 (0.000)	Ability to manage marketing research	0.369	3.389	0.000
				0.547	2.661	0.000

Table 6 shows that:

- **Product Planning Capability:** The regression analysis revealed an F-value of (74.231), indicating statistical significance at the 0.01 level. The coefficient of determination ( $R^2$ ) was calculated at 0.431, implying that the product planning capability accounts for 43.1% of the variance observed in Sustainable Institutional Performance development.
- **Pricing Capability:** The results showed an F-value of (89.112), reflecting a high level of statistical relevance. With a determination coefficient of 0.473, pricing capability was found to explain 47.3% of the shifts in the dependent variable.
- **Marketing Communication Management:** An F-value of (77.711) demonstrates the strength of the regression model, and the corresponding  $R^2$  value of 0.481 suggests that this capability contributes to 48.1% of the changes in Sustainable institutional performance outcomes.
- **Social Media Management:** The analysis yielded an F-value of (61.569), which confirms statistical validity. The capability to manage social media had a notable effect, accounting for 50.2% of the variation observed in Sustainable institutional performance metrics.
- **Distribution Channel Management:** With an F-value of (57.121) and an  $R^2$  of 0.445, this dimension demonstrated its influence by explaining 44.5% of the variation in Sustainable institutional performance indicators.
- **Personal Selling Management:** The F-value reached (71.320), affirming the significance of this dimension. The coefficient of determination (0.467) indicates that personal selling efforts impact institutional performance by 46.7%.
- **Marketing Research Capability:** An F-value of (85.370) was observed, showing statistical significance. The regression analysis identified that this capability explains 41.0% of the fluctuation in the dependent outcome
- The regression coefficients appeared to be positive, indicating that various aspects of marketing capabilities—including product planning, pricing, marketing communications, social media management, distribution channel management, personal selling, and marketing research—contribute positively to institutional outcomes. This suggests that as organizations enhance their application of these marketing capabilities, their operational and organizational effectiveness improves accordingly.

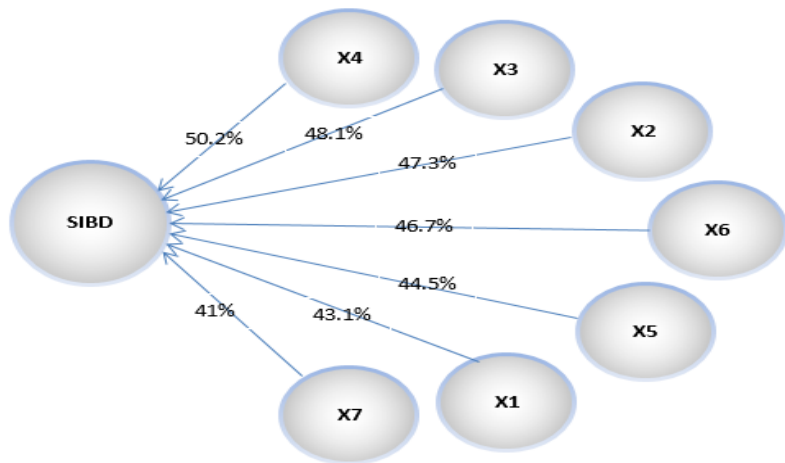
- Among the various dimensions of marketing capabilities, the ability to manage social media emerged as the most influential within Saudi banks. This finding aligns with the results of the earlier correlation analysis, where social media management demonstrated the highest correlation coefficient (0.401) with institutional outcomes.
- The least influential dimension of marketing capabilities in Saudi banks was the ability to manage marketing research. This outcome supports the findings derived from the previous correlation analysis, where this dimension exhibited the lowest correlation coefficient (0.319) with institutional outcomes, particularly in areas related to support and self-affirmation.

It is clear from the multiple regression analysis that the impact of the dimensions of marketing capabilities on the development of institutional performance in Saudi banks differed from one dimension to another, and we review this as follows:

**Table 7.** Ranking of the dimensions of marketing capabilities  
In terms of their impact on the Sustainable Institutional Performance development

Ranking	Dimension Determination Coefficient	R2
1	Ability to manage social media (X4)	50.2%
2	Ability to manage marketing communications (X3)	48.1%
3	Ability to price (X2)	47.3%
4	Ability to manage personal selling (X6)	46.7%
5	Ability to manage distribution channels (X5)	44.5%
6	Ability to plan products (X1)	43.1%
7	Ability to manage marketing research (X7)	41.0%
Marketing Capabilities (Total)		45.1%

Figure 2 illustrates the impact of marketing capabilities on the development of institutional performance.



**Figure 2.** The impact of marketing capabilities on the Sustainable Institutional Performance development

Based on the foregoing, it is clear that the third hypothesis is incorrect, which means that there is a significant impact on the dimensions of marketing capabilities (the ability to plan products - the ability to price - the ability to manage marketing communications - the

ability to manage social media - the ability to manage distribution channels - the ability to manage personal sales - the ability to manage marketing research) on the Sustainable Institutional Performance development in Saudi banks.

## 5. Conclusion

The study found a general alignment in employees' views within Saudi banks regarding the study variables (marketing capabilities and Sustainable Institutional Performance development), with no notable variation between respondents. It was also observed that employees demonstrated a high level of appreciation for the implementation of marketing capabilities, alongside strong awareness of efforts to enhance Sustainable institutional performance. These findings align with prior research, including studies by Griffith et al. (2010), Hernández-Linares et al. (2021), AlTaweel et al. (2021), and Ahmed et al. (2022).

It came after the ability to manage marketing communications as the highest dimension of marketing capabilities in terms of the average perception of employees in Saudi banks, and came after the ability to price as the lowest dimension of marketing capabilities in terms of the average perception of employees in Saudi banks, and the commercial dimension came as the highest dimensions of Sustainable Institutional Performance development in terms of the average perception of employees in Saudi banks, and the cultural dimension came as the least dimensions of Sustainable Institutional Performance development in terms of the average perception of bank employees. Saudi Arabia.

The study also showed a significant correlation between the two variables of the study marketing capabilities and the Sustainable Institutional Performance development, which means that increasing the level of practice dimensions of marketing capabilities leads to a rise in institutional development practices, which is consistent with studies O'sullivan & Abela 2007; Murray et al., 2011; Acayip et al., 2025; Yan et al., 2025.

The analysis indicated that managing social media exhibited the highest correlation with Sustainable institutional performance among all marketing capability dimensions. Conversely, marketing research management showed the weakest link to Sustainable institutional performance development.

The findings further revealed that marketing capabilities significantly influence the enhancement of Sustainable institutional performance within Saudi banks. Among the examined dimensions, social media management emerged as the most impactful, while marketing research capability showed the least effect. Moreover, the overall contribution of marketing capabilities to the variation in Sustainable institutional performance was estimated at 45.1%, with the remaining portion likely attributed to external variables not captured within the model. These results are aligned with prior research (Takahashi, 2017; Ardyan, 2018; Da Costa et al., 2018; Homburg et al., 2022; Mikalef et al., 2023), which also emphasized the role of marketing capabilities in shaping institutional outcomes.

Based on the above, it is essential to conduct advanced market studies using data analysis techniques to gain deeper insights into customer needs and future trends. This includes developing a comprehensive database that helps build accurate customer profiles, identify marketing opportunities, and enhance the effectiveness of marketing strategies.

Artificial intelligence plays a key role in personalizing banking services by analyzing customer behavior and predicting future needs. Through machine learning algorithms, financial institutions can offer tailored products and services that foster engagement and loyalty. Predictive analytics also allow early identification of customer behavior trends, such as the likelihood of needing a loan or discontinuing a service, enabling proactive responses.

However, reliance on automation requires preserving customer trust, as fully automated services may lead to concerns over privacy and reduced human interaction. Therefore, it is crucial to develop strategic models that balance the use of AI with a transparent and humanized banking experience. This integration enhances competitiveness and improves customer satisfaction in dynamic financial markets (Abou-Foul et al., 2023).

In addition, it is necessary to take advantage of artificial intelligence techniques to improve the accuracy of marketing forecasts and make decisions supported by advanced data and analytics. With the design of flexible systems that allow quick adaptation to changes in the market and respond effectively to competitors' movements and changing customer needs, With the constant work to develop the skills of the banking team by organizing training programs and workshops to provide marketing teams with modern skills, such as digital analysis and customer experience management, which contributes to building strong competitive capabilities, as well as developing clear and objective key performance indicators to measure the success of marketing campaigns and strategies, and use these indicators to evaluate performance periodically and identify areas for improvement.

Banks should strategically prioritize social media by integrating it into their overall marketing strategy and allocating dedicated budgets, human resources, and technological tools. Specific benchmarks such as engagement rate, conversion rate, customer acquisition cost, and brand sentiment analysis should be used to evaluate performance and success. Furthermore, Saudi banks can enhance institutional growth by focusing on omnichannel strategies that combine social media with mobile apps, websites, and customer service platforms to ensure a consistent and personalized customer experience. These steps will help translate strong social media capabilities into measurable institutional development.

## **7. Limitations and Recommendations for Future Research**

This study is not without certain limitations. Its geographical scope was limited to Saudi banks, and the sample size was relatively small. Moreover, the study relied solely on cross-sectional data collected through questionnaires, without employing longitudinal methods that could reveal changes over time.

Additionally, the study did not address some critical influencing factors, such as organizational culture or digital transformation, which may serve as mediating or moderating variables in the relationship between marketing capabilities and institutional performance.

Therefore, future research is encouraged to expand the sample to include other regions or sectors, incorporate variables such as digital maturity and innovation culture, and utilize diverse methodologies such as in-depth interviews or big data analytics. Longitudinal



studies could also offer deeper insights into the evolving dynamics of marketing capabilities and their impact on performance.

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